

# TEXAS ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS



Texas is the proud home of three Clean Cities:

Austin  
Dallas/Ft. Worth  
Paso del Norte

## Overview

The Texas Alternative Fuels Council makes low-interest loans for alternative fuel projects to state and local governments. The City of Austin and Southern Union Gas offer a \$2,000 rebate for the purchase or conversion of a natural gas vehicle (NGV), and Atmos Energy offers a \$500 rebate for the purchase or conversion of an NGV. Several other utility companies in Texas are very active in promoting the use of alternative fuel vehicles (AFVs), including Entex which offers a \$2,000 rebate for the conversion or purchase of an NGV.

## Highlights

- \$ \$2,000 rebate from the City of Austin and Southern Union Gas for compressed natural gas (CNG) conversions or purchases of factory-equipped CNG vehicles; \$1,200 rebate for any alternative fuel type.
- \$ \$2,000 per vehicle rebate from Entex for conversion to CNG or for the purchase of a factory-equipped NGV.
- \$ \$500 per vehicle rebate from Atmos Energy for CNG conversions.

## State Incentives

- \$ Through a joint venture with Southern Union Gas Company, the City of Austin offers a \$2,000 rebate for CNG conversions or CNG original equipment manufacturer (OEM) purchases. This offer is available to Southern Union Gas commercial and residential customers for up to 5 vehicles per year. Participants can obtain a Natural Gas Vehicle Rebate Request Form from participating dealers, conversion centers, or the Environmental and Conservation Services Department. Funds are limited, and are available on a first-come first-served basis. For information about the program, contact Jerrel Gustafson with the City of Austin at (512) 499-3587.

The City of Austin is also providing funds through the U.S. Department of Energy's State and Local Incentives Pilot Program to award approximately 18 rebates in the amount of \$1,000 in conjunction with the existing rebate program. This rebate would be open to any fleet owner who converts a vehicle to any alternative fuel or purchases an AFV from an OEM; businesses and agencies in Austin that are not mandated to convert vehicles would also be eligible. In El Paso, under the pilot program, conversion funds for natural gas and propane vehicles operated by nonprofits in the community will be available. For additional information, contact Craig Davis, at the Texas Alternative Fuels Council, at (512) 463-3262.

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## *State Incentives (cont.)*

The Texas Railroad Commission has the authority to regulate the safety of the liquefied natural gas (LNG), CNG, and liquefied petroleum gas (LPG) industries. The Texas Railroad Commission funds, through its Alternative Fuels Research and Education Division (AFRED), LPG research projects on a case-by-case basis. The Texas Railroad Commission has produced a free directory, entitled "1995 Texas Propane Services Directory," that lists 910 Texas businesses that refuel vehicles with propane. For more information, contact Lulu Flores at the Railroad Commission of Texas alternative fuel hotline, (800) 64-CLEAR, or (512) 463-0707.

The Texas General Land Office (GLO) will make low cost, in-kind natural gas available to school districts for use as an alternative vehicle fuel. The Texas GLO has also established an alternative fuels program to aggressively promote the use of alternative energy sources, especially those abundant in Texas. The Texas GLO alternative fuels program serves as a liaison between government and industry and has been instrumental in the conversion of public and private fleets, as well as opening many refueling stations across the state. The Texas GLO publishes several alternative fuels newsletters, fact sheets, and Texas refueling station maps to help educate and inform the public. For additional information, contact Carlton Bell at the Texas GLO at (512) 475-1402, or the Alternative Fuels Hotline at (800) 6-FUEL-99.

The Texas Alternative Fuels Council (TAFC) was created in 1993 by the State Legislature to distribute federal oil overcharge and other funds to eligible public and private organizations. The State Legislature authorized the Alternative Fuels Conversion Fund to make loans and grants and encourage the use of alternative fuels, including conversion of state and local government fleets to CNG and propane. TAFC will manage a \$50 million low-interest loan program for public fleets, financed by the issuance of bonds. Among those eligible for the loans to convert vehicles to alternative fuels, purchase new AFVs, and install refueling facilities will be school districts, local mass transit authorities, state agencies, local governments, and some joint ventures between local government and private entities. For information about the low-interest loan program, contact Craig Davis, Texas Alternative Fuels Council, at (512) 463-3262.

## *Utility/Private Incentives*

\$ Atmos Energy offers a \$500 rebate per vehicle conversion to natural gas. Station financing, construction assistance, and temporary refueling facilities are available. For more information, contact John Zook at (972) 788-3768.

\$ Entex offers a \$2,000 rebate per vehicle for conversion to CNG or for the purchase of an OEM NGV. Rebate is limited to 5 vehicles per customer in the Houston area and surrounding counties. Contact Gert Rudel at (713) 654-5898 for additional information.

Arkansas Louisiana Gas (Arkla) has a special lower rate for CNG used to fuel vehicles. Arkla offers technical assistance and station design assistance for natural gas refueling stations. For more information, contact Arthur Connerly at (501) 377-4877, or Dwayne Brown at (501) 377-4742.

Lone Star Gas participates in public/private ventures with governments to build at-cost or reduced cost conversion facilities or refueling stations. For more information, contact Jim Moore at (214) 573-3267.

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## *Laws & Regulations*

Senate Bill (SB) 200 (1995) set forth clean-fuel vehicle requirements for certain mass transit, local government, and private fleets in each of the state's nonattainment areas. The affected fleets will be required to ensure that their fleet vehicles are certified to the Environmental Protection Agency's (EPA) low emission vehicle (LEV) standards in accordance with a prescribed schedule. Fleets may use any vehicle/fuel combination that is certified by EPA to these standards. The first compliance date for transit fleets is September 1, 1996, with the first compliance date for private and local government fleets being September 1, 1998. The Texas Natural Resource Conservation Commission is currently proposing a first phase of the rules which will cover transit fleets in the four nonattainment areas and private and local government fleets in Houston/Galveston and El Paso nonattainment areas. The second phase of the rulemaking is scheduled for Spring 1997.

Texas' alternative fuel statutes, amended by SB 200 (1995), include the following provisions:

The definition of alternative fuels was amended to:

“Alternative fuel” means any fuel or power source that, when used in a clean-fuel vehicle, allows the vehicle to comply with the standards and requirements of Part C Subchapter II of the Federal Clean Air Act as amended and emission limits at least as stringent as the applicable LEV standards for the clean fuel fleet program.

State agencies that operate a fleet of more than 15 vehicles are still under the compliance schedule to have 30% of their fleet operating on alternative fuels by September 1, 1994; 50% by 1996; and 90% by 1998. For these fleets, alternative fuels are defined as CNG, LNG, LPG, methanol, ethanol, and electricity.

Local governments with fleets of more than 15 vehicles and private fleets of more than 25 fleet vehicles in the four nonattainment areas have the following requirements for AFVs:

10% of total fleet by 9/1/1998 or 30% of purchases after 9/1/1998

20% of total fleet by 9/1/2000 and 50% of purchases after 9/1/2000

45% of total fleet by 9/1/2002 and 90% of purchases after 9/1/2002

The definition of alternative fuels for these fleets has been amended to include any fuel-vehicle combination that satisfies the Federal LEV standards and the clean-fuel vehicle standards.

Mass transit authorities, regional transit authorities, and local transportation departments must still meet the original conversion schedule - - 30% of total fleet by 1994, 50% by 1996, and 90% in 1998 - - but are now allowed to use any fuel that meets the expanded definition of alternative fuels (i.e., meets LEV).

SB 1, passed by the legislature in 1995, removes the alternative fuel-use requirement on school districts.

Road taxes for natural gas and LPG vehicles are collected through annual sticker permit fees.

Natural gas and propane sold as motor fuels are exempt from sales tax.

House Bill 1441 (1995) allows the Texas Public Finance Authority to sell bonds of up to \$50 million to finance loans from the TAFC for school districts, local mass transit authorities, and state agencies to convert vehicles to alternative fuels, purchase new AFVs, and install refueling facilities.

# TEXAS ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

## *Points of Contact*

### **Austin Clean Cities Coordinator**

Lisa Weston Hannemann (512) 499-1898  
City of Austin

### **Dallas/Ft. Worth Clean Cities Coordinator**

Mike Burbank (817) 695-9261  
North Central Texas Council of Governments

### **Paso del Norte Clean Cities Coordinators**

Carlos Rincón (915) 747-6644  
Environmental Defense Fund

### **Future Clean Cities**

#### **Corpus Christi Clean Cities Coalition**

Debbie Ashour (512) 885-6924  
Corpus Christi Gas Company

#### **Houston-Galveston Clean Cities Coalition**

Wayne Johnson (713) 956-7006  
Houston-Galveston Clean Cities Group

### **City of Austin**

Jerrel Gustafson (512) 499-3587

### **Railroad Commission of Texas**

Lulu Flores (512) 463-0707  
Alternative Fuels Hotline (800) 64-CLEAR

### **Texas General Land Office**

Carlton Bell (512) 475-1402  
Alternative Fuels Hotline (800) 6-FUEL-99

### **Texas Alternative Fuels Council**

Craig Davis (512) 463-3262

### **Arkansas Louisiana Gas (Arkla)**

Arthur Connerly (501) 377-4877  
Dwayne Brown (501) 377-4742

### **Atmos Energy**

John Zook (972) 788-3768

### **Entex**

Gert Rudel (713) 654-5898

### **Lone Star Gas**

Jim Moore (214) 573-3267

### **Southern Union Gas**

Southern Union Econofuel  
Luke Allison (512) 370-8358

### **Texas State Energy Office**

State Energy Conservation Office  
Tobin K. Harvey (512) 463-1931  
Holly Fritch (512) 463-1931

### **Metropolitan Planning Organizations**

#### **North Central Texas Council of Governments**

Michael Morris (817) 695-9240

#### **Houston Galveston Area Council**

Alan Clark (713) 627-3200

#### **South East Texas Regional Planning Commission**

Bob Dickenson (409) 727-1991  
Don Kelly (409) 727-2384

#### **El Paso Metropolitan Planning Organization**

Ricardo Dominguez (915) 541-4018

### **Texas State Transportation Contact**

State Department of Highways and Public Transportation  
Don Lewis (512) 416-2085

### **U.S. Department of Energy**

#### **Denver Regional Support Office**

Dallas Duty Station  
Dan Deaton (972) 491-7276

### **U.S. Department of Transportation Contacts**

#### **Federal Highway Administration**

Region 6  
George Hadley (817) 334-3235

#### **Federal Transit Administration**

Region 6  
Jesse Balleza (817) 860-9663

### **General Services Administration**

#### **Regional Fleet Manager**

Region 7  
Virlene Griffin (817) 978-2381

### **U.S. Environmental Protection Agency**

#### **Regional Pollution Prevention Coordinators**

Region 6  
Rob Lawrence (214) 665-6580  
Linda Thompson (214) 665-6568